

Rhode Island Economic Development Corporation

Enterprise Zone Council

Minutes of Meeting of February 28, 2012

RIEDC: Narragansett Room

315 Iron Horse Way, Suite 101

Providence, RI 02908

In attendance:

COUNCIL AFFILIATION

D. Varin Vice Chairman

D. Langley Urban League of RI

M. Wood RI League of Cities and Towns

R. Caniglia Stand Corporation

B. Parsons RIEDC

OTHER AFFILIATION

V. Barros RIEDC

J. Garrahy Moses & Afonso, LTD

J. Rhodes RI Statewide Planning

W. Clark Town of Portsmouth

L. DiBoni Cranston

M. Godin ED Foundation of RI

K. Cosentino City of Providence

B. Heath City of Pawtucket

A. Gooding City of Providence

H. Weiss City of Pawtucket

A. Ranaldi Town of Lincoln

At 10:04 Mr. Varin called the meeting the Rhode Island Enterprise Zone Council to order and noted that there was a quorum present.

The first item of business before the Council was the Meeting Minutes for January 24, 2012.

Mr. Parsons made a motion to approve the minutes. The motion was seconded by Mr. Wood. Mr. Varin asked if there were any additional comments or questions. There being no further discussion, all voted in favor and the motion was unanimously approved.

The next order of business before the Council was Zone Re-designation Request for the Port of Providence/Cranston EZ

Mr. Varin informed the Council that a representative from each zone would provide a general overview of their re-designation request followed by questions from the Council.

Ms. Gooding opened by stating that the EZ is an important economic development incentive for the city. She talked about the development of the port of Providence in relationship to the EZ and regional competitiveness. How the EZ incentives helps to attracted other like businesses into the port and its surrounding EZ areas.

She talked about the importance of the development of commercial corridors within the EZ like Elmwood Avenue, Eddy Street and Broad Street.

Mr. Caniglia sparked a conversation about the port's viability as a magnet for economic development.

Mr. Parsons added that once the cranes go in the port's value and viability goes way up.

Mr. Caniglia asked if the newest port business, Sims Metal Management Limited, could attest to the ease of doing business in Providence and the state of Rhode Island.

Ms. Gooding said that the city should think of using the successful business attraction of Sims Metal Management Limited as testimonial or example of successful business attraction to the port.

Mr. Wood asked about the impact of the recent changes in the EZ tax credits and whether those changes put the city at a disadvantage.

Ms. Gooding stated that it does have an impact on a business' decision making process, it may not be the deciding factor but it does play a role.

Mr. Rhodes added that what has changed with the port is the new

administration's openness and approach to water depended industrial uses. He also pointed out that last week's National Grid's purchase of Pat Conley's state pier supports continued growth in these sectors.

Mr. Varin pointed out several recommendations from the re-designation proposals that he thought were actionable including amending the wage test to address military call ups and solidifying what happens when a business is sold to other operator and some employees are rehired, determining what becomes of the employment benchmark.

Mr. Varin stated that this was a joint re-designation request and asked for Mr. DiBoni to address the Cranston portion of this request.

Mr. DiBoni gave an overview of the Cranston EZ geography including best commercial development opportunities on each of the designated areas.

He stated that the change in the EZ tax credit has negatively impacted business opportunities within the Cranston zone.

Mr. Caniglia asked about Bus Rapid Transit and its relationship to Providence's Knowledge District?

Mr. DiBoni stated that there was no real work on that front.

Mr. Barros reminded the Council that the city of Providence was seeking to re-designate U.S census tract 1.01, 2, 4, 5, 6 and 15 while the city of Cranston was seeking re-designate U.S. census tracts 135 (bg 1), 141, 136 (bg 1, 2, 3), 137.01 (bg 1, 2, 3, 4), 138 (bg 1, 2).

Mr. Wood made the motion to approve the re-designation of the Port of Providence/Cranston Enterprise zone for an additional five (5) years. The motion was seconded by Mr. Parsons. Mr. Varin asked if there was any further discussion. There being no further discussion, all voted in favor and the motion was unanimously approved.

The next order of business before the Council was Zone Re-designation Request for the Pawtucket/Lincoln EZ

Mr. Varin introduced Mr. Herb Weiss who provided an overview of the city of Pawtucket's portion of the zone re-designation request. He talked about Pawtucket's main economic development assets – the city's inventory of mill buildings – and how EZ designation supports the small business development aspect of those mill buildings. He talked about how the city uses CDBG funds to support the zone and those businesses. He talked about the train station commuter rail development within the EZ and how that will help to attract more businesses. He concluded by talking about how city values its EZ designation and will continue to support, advocate for, and support the EZ program.

Mr. Varin asked about tax stabilization options available to businesses; emphasizing the importance of having a viable tax stabilization plan available to growing businesses in the EZ.

Mr. Weiss stated that the city's tax stabilization plan is a phased 5-year plan.

A general discussion ensued about the historic tax credit as it related to the redevelopment of mill buildings specifically for business usage, the challenges, issues and opportunities.

Mr. Ranaldi addressed the town of Lincoln's portion of the zone re-designation request, stating that the Lincoln portion of the EZ could be characterized as possessing both old mill buildings and modern manufacturing facilities for which the EZ designation has help galvanize and revitalize the area. The focus going forward will be on the development of the mill buildings within the zone.

A general discussion ensued about the challenges of mill building development including the issue of contamination and remediation.

Mr. Ranaldi talked about the challenges these historic mill villages, like in Lincoln, face in that most of the land including the roads are owned by private property owners so there is no public infrastructure.

He closed by saying that the EZ has had a positive impact on the business development in the designated portion of Lincoln and the town supports the re-designation of the zone.

Mr. Wood made the motion to approve the re-designation of the Pawtucket/Lincoln Enterprise zone for an additional five (5) years. The motion was seconded by Mr. Parsons. Mr. Varin asked if there was any further discussion. There being no further discussion, all voted in favor and the motion was unanimously approved.

Mr. Varin asked for a motion to table the balance of the agenda until the next meeting. Mr. Wood made the motion which was seconded by Mr. Caniglia. Mr. Varin asked if there were any questions or comments. There being none, all voted unanimously in favor of the motion.

Mr. Varin asked for a motion to adjourn the meeting. Mr. Wood made the motion which was seconded by Mr. Parsons. Mr. Varin asked if there were any questions or comments. There being none, all voted unanimously in favor of the motion.